INFORMATION REPORT

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COUNTRY   Yugoslavia

SUBJECT   Criticism of Yugoslav Merchant Marine

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SUPPLEMENT TO
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*See below
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25X1 1. Vicko Krstulovic, Minister of the Merchant Marine, has expressed
25X1   dissatisfaction with the progress of merchant marine reconstruction
         work. [   ] he complained of
25X1   the "inexperience of the technicians, and the poor organization of all
         services in general but particularly of the dock services".

25X1 2. [   ] he treated extensively the poor condition of the
         installations made aboard ships of the Skoplje class which were recently
         launched in Rijeka. He also severely criticized the armament of two
         minesweepers launched last autumn in Rijeka and Split.

3. He concluded by saying that despite the Yugoslav Government's interest
   in this field and the vast amount of money spent, the merchant marine
   yards were in poor condition.

25X1 4. A technician [   ] expressed the opinion
         that the poor results achieved in Yugoslav shipyards were caused by the
         following:

   a. Lack of technicians, particularly specialists.
   b. Poor supplies.
   c. Imbroglio of politics and propaganda.
   d. Unnecessary speeches and meetings.
   e. Indifference on the part of the workers.
   f. Poor technical direction.
   g. Constant intrusion of Political Commissars and Party activists.
   h. Derelict and inexperienced ship personnel.
   i. Passive resistance on the part of the regime's opponents.

25X1 5. [   ] Krstulovic is well aware of what is happening
         but must pretend to ignore it to save himself. The same disintegration
         has taken place in all Yugoslav productive forces and not only in the
         Merchant Marine which is without machines and raw materials. In the ship-
         yards, as well as in the rest of the country's industry, those who have
         distinguished themselves as Partisans or Party members have been given
         positions even though they are technically incompetent.

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